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GOVERNOR'S MESSAGE

TO

Second Legislative Assembly,

State of South Dakota,

Delivered

JANUARY 6, 1891

1891.
FREE PRESS CO.
PIERRE.

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GOVERNOR'S MESSAGE.

To the Senate and House of Representatives of South Dakota:
The first and most important subject for your consideration is the

PUBLIC FINANCES.

The State's financial condition could scarcely be more embarrassing, and her revenue system could scarcely be worse. No greater service could be rendered the State by this body than the adoption of a systematic, comprehensive and efficient code of revenue laws, and rigidly restricting current expenditures by adequate penalties to the revenues thus produced. Without such legislation financial disaster is sure to overtake the state to the irreparable injury of her credit, her institutions and her business interests. Members from counties containing public institutions and who may consider themselves agents to procure large appropriations in the interest of their constituencies rather than in the interest of the State should consider whether they would not prefer a warrant for one dollar, worth one hundred cents, to a warrant for two dollars, worth one hundred cents in the market, remembering that the latter condition means final ruin to the State and her institutions. There is only one safe policy for the State or the individual, and that is to live within her income. It is bad enough for an individual to mortgage his farm for the entire value of his improvements and he surely cannot after that afford to borrow for the maintenance of his household. The State having built her public institutions entirely on borrowed capital must at least maintain them out of the current revenues. There are now outstanding against the State about forty-six-thousand dollars in warrants endorsed by the treasurer, "Not paid for want of funds," and thence bearing seven per cent. interest, which are already subject to a heavy discount in the market, and but for prompt measures on your part to prevent it their amount will rapidly increase and their value decline corres-

pondingly. This condition exists after final resort to borrowing an additional one hundred thousand dollars during the past year and increasing the public indebtedness to the maximum limit under the constitution. It is impossible longer to dodge the issue, it is now retrenchment or disaster. The following statements and suggestions are made hoping to throw some light on the situation.

The following is a synopsis of the total receipts and disbursements of the general fund from November 5, 1889, to November 30, 1890, as shown by the detailed report of the State treasurer which is herewith presented, viz:

RECEIPTS.

	From Territorial Treasurer	30,290 07	
State'm't A	County Remittances	231,320 61	
State'm't B	Railroad Tax-1890	91,780 88	
State'm't C	Insurance Companies' Tax-1890...	12,885 35	
State'm't D	Constitutional Bonds	100,000 001	
State'm't E	Bond Premiums	19,812 50	
State'm't F	Fees from State Officers	8,769 34	
State'm't G	Sale of Laws	30 611	
State'm't H	W. U. Telegraph Co.'s Tax-1890..	588 43	
State'm't I	School Funds	240 25	
State'm't J	Stock Indemnity Fund	4,580 97	
State'm't K	From R. R. Commissioners	304 70	
State'm't L	From State Auditor	5 00	
	TOTAL		\$ 500,542 70

DISBURSEMENTS.

State'm't M	Auditor's Warrants Paid	424,672 03		
State'm't N	Counties Proportion Railway Tax...	61,105 80'		
State'm't O	Vouchers Board of Agriculture....	2,640 20 '		
State'm't P	Exchange and Expressage	119 98		
State'm't Q	Interest on Auditor's Warrants	1,811 68		
State'm't R	Ex Bond Issue	60 13		
	Balance in Treasury Nov. 30, 1890..	10,052 88		
	Balance			
	TOTAL		5	500,542 70

It is apparent at a glance that the receipts in the future will fall far short of the above.

The first item of \$30,290.07 received from the territorial treasurer is lost to the future revenue.

It is known that the receipts from counties specified in "Statement `A" were produced under the territorial law by a three mill levy, while the constitution limits the annual state tax to two mills on the dollar. This condition in the future will reduce the revenue from this source 33* per cent, or 577.108.87. Again, the railroad tax, Statement -B" of the above table was produced under the territorial law which placed 33-L per cent. of the entire amount collected in the general fund of the State,

while under the constitution but two mills on the dollar of the assessed valuation of the railroads can be paid into the State treasury. Estimating the assessed valuation of railroads within the State for the next two years at \$10,000,000, which is at the rate of over \$4,000 per mile of road and equipments, and is perhaps as high a valuation as can be expected, being more than double the tax procured by a 3 per cent. tax on their gross earnings under the late territorial statute, a two mill tax will produce \$20,000 to the State revenue from this source being a further reduction in the above receipts on account of railroads from the amount shown in the table of \$71,780.05.

Statement "D." showing receipt of \$100,000 from issue of bonds, by which the public debt was increased to the limit allowed by the constitution, must be deducted from future revenues, as must also Statement "E" bond premiums, the two making the further reduction of \$119,812.50. These amounts aggregate \$298,992.24 and show an unavoidable reduction in the future receipts over last year's to that extent. Deducting from this the amount of railroad taxes paid to counties as shown in the Disbursement Statement, "N," of \$61,105.80, will leave a deficiency for the current year of \$237,886.44. It is found upon examination that the disbursement statement combines extraordinary expenditures, such as payments for furniture, and Joint Commission claims of about \$62,000, which would reduce the deficit for the current year to about \$175,000.00.

The same result, practically, is reached by a different and more exact method.

On examining the future sources of revenue from another standpoint, a two mill tax on the state's assessment of \$110, 000, - 000, if all collected, will produce \$220, 000, to which may be added \$20, 000, fees from the Auditor of State and \$3, 000 fees from the Secretary of State, making \$243, 000.00.

The following is a list of specific appropriations made by the first legislature of the State, for the current year, viz:

CLASS A.

1. Salaries of executive and judicial officers, fixed by the constitution	36,000.00
2. Expenses of executive and judicial officers, fixed by the legislature	34,513.00
3. Maintenance of state house, and per diem and mileage of executive officers acting on commission	4,500.00
14. Salaries and mileage of members of legislature, clerks and employees	84,207.20
5. Printing journals and acts of legislature	7,000.00
6. Expenses of county institutes	2,000.00
7. University of Dakota	24,700.00
8. Madison Normal School	11,700.00
9. Spearfish Normal School	12,300.00
10. Dakota Reform School	15,600.00
11. Dakota Agricultural College	18,000.00

12.	School of Mines	8,000.00
13.	School of Deaf Mutes	14,800 00
14.	Dakota Penitentiary	31,311.00
15.	Hospital for the Insane	64,690.00
16.	Soldiers' Home	10,500.00
17.	Commissioner of Immigration	7,70000
18.	Railroad Commissioners, expenses and clerk hire	6,000.00
19.	Public Examiner, salary and expenses	2,250.00
20.	State Militia, salaries and maintenance	4,000.00
21.	Insurance on public buildings	4,55000
22.	Land Offices, for records	800.00
23.	Veterinary Surgeon	1,700.00
24.	State Penitentiary, improvements	2,000.00
25.	Expenses Constitutional Convention	4,799.04
26.	Seed Wheat Commission	94.00
27.	Mine Inspector's salary, \$1,000; expenses, \$1,000	2,000.00
28.	Engineer of Irrigation, salary and expense	1,500.00
Total		\$ 417,014.24

Besides these appropriations for definite sums, the first state legislature passed acts making public expenditures and appropriating public funds therefor, resulting in expenditures from the general fund for one year as follows, viz:

CLASS B.

Commissioner of Labor and Statistics, salary and expenses from July 8. to December 8, five months, \$1,901.77, and for one year, at same rate	\$ 3,804.30
Investigating committee for penal and charitable institutions, expenses from March 8, to December 8, nine months, \$494.55, and for one year at same rate	659.40
State Board of Charities and Corrections, expenses from March 8, to December 8, nine months, \$2,121.10, and for one year at same rate	2,828.12
Regents of Education, expenses from March 8, to December 8, nine months, \$1,756.57, and for one year at same rate....	2,342.08
Boards of Trustees of Educational Institutions, from April 1, to December 1, eight months, \$2,843.26, and for one year at same rate	4,264.89
Appropriations for office supplies, being for furniture for state offices and legislative halls	12,766.68
Total	\$ 26,875.47

In addition to the foregoing classes there has been paid out of the general fund during the year by the treasurer upon warrants drawn by the auditor without any special act of appropriation by the legislature. under color of authority from the territorial statutes, amounts as follows, viz:

CLASS C.

Agricultural Society, one year	\$ 5,000.00
Tuition and support of the blind, in Iowa Hospital	1,051 03
Board of Health, salaries and expenses	641.75
Burial of Soldiers and Sailors	605.65
Soldier's grave stones	40.00
Transportation of convicts to penitentiary	3,462.26

Transportation of inmates to Reform School	902.81
Transportation of insane to hospital	7,547.30
Return of fugitives from justice	1,617.37
Bounty for tree planting	1,642.53
Bounty to fire departments	4,243.45
Total	\$ 26,433.43

These amounts, together, aggregate +470,323.14, and constitute the sum necessary to meet the current expenditures of the State for one year under the present laws, outside of interest on the public debt which is collected by a special levy, and is nova charge upon the general fund.

This amount is, however, subject to reductions for future years, without legislation, as follows, viz:

Furniture for State House and General Assembly	\$ 12,766.68
one-half expenses of legislature 1891, there being only one session for two years	42,103.70
Total	\$54,870.38

This deduction leaves \$415,452.76 as the present annual state expenditure. As we have before seen there is but X243, 000.00 to meet this amount, hence it is necessary for the legislature to make a retrenchment of X172,452.76 per annum, in order to bring the disbursements within the receipts, the same, practically, as before shown.

REMEDY.

First. To this end it is suggested, that all offices that can be dispensed with, without detriment to the public service be abolished, and others consolidated, and salaries diminished until the expense of administration is reduced to the minimum, regard being had only to the public needs, not the welfare of individuals.

Second. Provide in the general appropriation bill definite sums for the per diem, mileage and contingent expenses of each state officer and state agent, and of each department and public institution, including its supervision and management, thus bringing under control these now uncertain amounts embraced in Class "B" and fixing a maximum beyond which no responsibility can attach to the State, and supplement this enactment by a provision in terms nullifying all territorial statutes so far as they can possibly be construed as appropriatory public revenues or authorizing any State officer, or agent, or board to incur and indebtedness or expend any money on behalf of the State except as specifically authorized by the state legislature, and that the auditor shall not draw or the treasurer pay any warrant upon the treasury except in pursuance of an appropriation for the specific purpose first made, and providing severe penalties for its violation. This stops the expenditures included in Class "A," and such of them as are desired

can be placed in the appropriation bill. The people, through you their representatives, have a right to say how their money shall be expended and no self constituted agent should be allowed to usurp this supreme right of the people without suffering severe penalties. Until this is done money will run out of the treasury like water out of a seive and there will always be a deficiency.

Third. Finally after pruning down to the lowest amount consistent with the public welfare the appropriations for the public institutions, closing some of them entirely if necessary, provide bylaw as far as practicable for each county paying for their maintenance in proportion as it may require their benefits. The county might bear the expense of transportation of the inmates to the penal and charitable institutions, or it might pay into the state treasury monthly a fixed sum in part for their maintenance. The latter plan is believed to be more equitable, since the expense of transportation would be nothing in the county where the institutions are located, but might be burdensome to remote counties, thus imposing a special tax on geographical position. The expense of transportation would be reduced at least one half if made by an agent of the institution, under direct contract of the board of management. At the same time it is suggested as a temporary expediency that the number of students admitted free to the educational institutions be limited to a certain number from each county, to be designated by county authority, and that additional students therefrom be required to pay into the State treasury a tuition fee in part maintenance of the institution or let it be paid by the county of the student. All foreign students should be charged tuition sufficient to cover all expenses. At any rate and by some means make the receipts and disbursements for the year balance. It is your province to determine the method.

THE DEFICITS.

The executive is of the opinion that under the plain provisions of the constitution it was intended that the ordinary expenses of the state government, outside of interest on the public debt, should be conducted within the limit of a two mill tax on the dollar. A liberal construction may possibly authorize an additional levy to cover the deficit of the preceding year, under act of the legislature, as provided by Section 1, Article xi. It is for the legislature to determine this question before making appropriations, and it should so govern its action that the revenues will meet the expenditures. Even if the legislature decide it is authorized to provide for a greater than a two mill levy, it should base all appropriations upon a most careful estimate of the actual necessities of the State, resolutely cutting off all unnecessary expenses, regardless of benefit or in-

jury to friend or foe, personal or political. That policy in business or politics is fatal to either the individual or party which rests upon any other basis than conscientious regard to duty and truth; duty as the heart feels it, and truth as the mind sees it.

DELINQUENT TAXES.

It is evident that the law regulating the sale of real estate for delinquent taxes, as modified by Chapter 127, Laws of 1890, should be amended. Under Section 1630, Compiled Laws of 1887, the county treasurer is authorized in case there are no other bidders, to bid off in the name of the county, any real estate offered for sale, but the county is prohibited, by Section 1634, from paying the amount due the state, or any other fund or costs of sale, until redemption is made, or the time of redemption has expired, or until the interest of the county has been assigned. The result is that at the November sales of 1890, the greater part of the lands offered for sale were bid off in the name of the county and no part of the taxes due thereon can become available, for any purpose, until the land is redeemed by the owner, or the county finds a purchaser for its tax sales certificates.

It is suggested as a remedy that the law be amended so as to require the treasurer to offer for sale all the real estate in the county, upon which the taxes are due and unpaid. and sell the same in a body to the person who will pay the whole of said taxes at the lowest rate of interest, not exceeding that now fixed by law, and upon failure to receive such a bid, that the county be authorized to purchase the same and issue its warrants therefor, drawn upon the tax sale redemption fund, and that all moneys received from redemption of said real estate and from all sales of lands for which the time of redemption has expired and the county has acquired title, be placed to the credit of such fund for the payment of such warrants.

PUBLIC INSTITUTIONS.

It is believed much good in every sense has resulted to the public institutions of the State from the new management created by the constitution, and further improvements are being earnestly prosecuted by the several boards.

It is recommended that insurance on the public buildings be dispensed with or reduced to a much smaller amount, as the State can as well have the profits of the business as the insurance companies, and can as well afford the loss, especially as the fees are often exorbitant.

The expense of management, so far as practicable, should be placed in the appropriation for the incidental expenses of each institution.

All receipts for fees and tuition should go into the general fund of the State.

As shown from the reports of the several boards the public institutions are being conducted strictly within the appropriations fixed for them, and the executive will exert his prerogatives to the utmost to enforce this rule.

In the legislature is vested, by the people, the sole lawmaking power. This body, and this body alone, should declare the will of the people and formulate it into law.

The legislature alone is responsible for the law, obtaining credit for its merits, and suffering criticism for its faults. The administrative agent does not share this responsibility, and is not called upon to exercise his judgment or conscience as to what the law should be, any more than the private citizen, and any other theory is subversive of all free government.

The administrative agent should be held accountable for the enforcement of the law, not for its enactment, and every disposition to usurp the province of the law-maker should be rebuked by the public conscience and punished by statutory provisions. This doctrine is specially applicable to laws involving the state revenues, and is declared to be the supreme law of the state in Section 9, article xi, of the constitution, viz:

"All taxes levied and collected for State purposes shall be paid into the State treasury. No indebtedness shall be incurred or money expended by the State, and no warrants shall be drawn upon the State Treasurer, except in pursuance of an appropriation for the specific purpose first made. The legislature shall provide, by suitable enactment for carrying this section, into effect."

Language would fail to make more specific the doctrine under discussion.

"No indebtedness shall be incurred," i. e. by any state officer, or state agent, or state board, nor money expended, without an appropriation for the specific purpose first made by the legislature. This language is so plain that no one who seeks the truth can err concerning its meaning. It further declares that no warrant shall be drawn upon the State treasurer, except in pursuance of an appropriation, first made for the specific purpose. And yet indebtedness is constantly being incurred and money expended, and warrants drawn on the State treasurer not in pursuance of any appropriation for a specific purpose, and simply because the legislature has failed in its duty by enforcing the provisions of the constitution by penal statute, as the same article says it "Shall provide by suitable enactment for carrying this Section into effect." This matter is brought again prominently before the legislature because a former like recommendation by the Executive was ignored and as a result large expenditures, under color of territorial enactments and appropriations of uncertain extent by various persons clothed with official authority have been incurred. The legislature

has a duty to perform here which it cannot prudently ignore. The first step should be to determine and define the state fiscal year, at the beginning of which all general appropriations shall take effect, ascertaining the revenue necessary to conduct the business of the State to that date, then making specific appropriations Therefor, and declaring all territorial and state laws void as to the appropriation of money. From that date after ascertaining the revenues on hand or the deficit, as the facts may show, let specific appropriations be made for all expenditures necessary for two years, and provide the adequate legislation to produce the required sum, always within the constitutional limitations. This is the simple duty of the legislator. He is not responsible for the mistakes in the constitution. All legislation must be subject to that instrument. The legislature cannot alter or set aside the constitution, and until that is done its provisions must be observed, alike by all good citizens and public servants.

PENAL AND CHARITABLE INSTITUTIONS.

The first annual report of the State Board of Charities and Corrections is herewith presented with much satisfaction by the Executive. It shows in detail the management of each of the institutions under its control, in a clear and business-like manner, and furnishes much important information and valuable suggestions for your consideration. It is for you to decide the amount necessary for the support of the public institutions, always resting assured there will be no surplus left over, as additional funds can always be used to further the ends of their creation. The number of managers, laborers and attendants are stated and the salaries paid to each, and after an intelligent consideration of the grave responsibilities involved you are to fix the amounts necessary to carry out the intent of the people in their creation

THE HOSPITAL FOR THE INSANE

gives the Executive the most anxiety, as it doubtless will you. The inhuman practices which are often brought to light in similar institutions of other states, cause grave alarm as to how far they prevail in our own. The inmate can neither comprehend the crime seen nor reveal it in words if comprehended, and no credence could attach to his complaint when made. Constant familiarity begets indifference to scenes which awaken the casual visitor's sympathy, and nothing will avail here but a conscientious regard for duty on the part of attendants and managers, and sleepless vigilance from those having supervision. The administration desires to place this institution in the first ranks of its kind. Great improvements have been made and others are in contemplation by the boards of managers and investigation.

It is noted with regret that the number of patients still in-

creases, averaging 264 since March 8. The faulty construction of the building and heating apparatus makes the item of fuel an enormous charge. The sewerage must be improved, as its condition is a constant menace to the health and lives of the occupants. The board earnestly recommends the transportation of inmates by hospital attendants as a measure of economy. Rumors of evil put afloat by their unfortunate inmates always hover over these institutions' to some extent and are usually found to be the fancies of disordered minds. Specific charges were preferred during the month of May against the Superintendent Dr. Livingston, and at once the Executive ordered a most searching investigation by the Board of Charity and Corrections and invited the Woman's Investigating Committee to attend and participate. It is gratifying to state that after a full hearing and searching investigation the charges were found to be absolutely without any foundation in fact and both boards unanimously reported, completely exonerating the Superintendent from any suspicion of wrong doing.

THE PENITENTIARY AT SIOUX FALLS.

This is believed by the Executive to be a model institution for the age, both in financial management and in carrying out its general purpose. The discipline is rigid and effective, but kindness and intelligent Christian management and the penitential and reformatory object prevail throughout.

The number of prisoners December 1, was 96, of whom 95 were men.

During the year three convicts were transported for treatment to the insane hospital by order of the Executive under Section 7721, of the Territorial Compiled Laws. The parole of prisons as provided by the last legislature has reduced the number of inmates and is believed to be a wise provision and is thus commended by the board:

"Our experience with the parole law, thus far, teaches us that rightly administered, its benefits are invaluable. Constructively the paroled man is yet in prison; as a matter of fact, he goes out to battle with the world, and build himself a character. He knows he has our kindest regards and sympathies. He knows we will protect him in his rights. He knows that the practical workings of the parole law in reference to other prisoners is largely in his hands. The prisoners of the penitentiary are encouraged to make real men of themselves, and to rise above the criminal condition. * * * * *

The consequent expense of the penitentiary to the people of South Dakota, though of minor consideration compared to personal and family disgrace, must not be hidden from public view."

It is greatly to be desired that labor be provided for the

prisoners, both as a remuneration to the State and for the benefit of the prisoners. The Warden and Boards of Management and Visitation recommend that a knitting plant be placed in the buildings which are ample for such purpose. Sufficient machines can be put in operation to employ the whole force at a cost of X7,000 and you are recommended to thoroughly investigate and pass upon the enterprise. The report shows the prudent expenditure of the appropriation towards fitting up the grounds and recommends a further appropriation for the same work. It is thought if the knitting plant can be utilized as a source of revenue it is highly preferable.

For prudential reasons stated in the report the authority to sell certain real estate belonging to the institution was not exercised and it is recommended that the law conferring the authority be re-enacted.

THE DEAF MUTE SCHOOL

at Sioux Falls contains thirty-five pupils, twenty-one boys and fourteen girls, and is under capable management. It is believed, however, that the cost of its maintenance should be largely diminished, both by a reduction of the number and salaries of managers, teachers and employees, and still preserve the efficiency of the school.

THE REFORM SCHOOL

contains fifty-nine children of whom thirteen are girls, and is a model school of its character. The lands belonging to the institution are ample for the employment of the inmates, eighty acres additional having been purchased. During the winter the children attend school, and have such other occupation as the management of the farm affords. It is believed the cost of management of this institution can be largely reduced and still accomplish the purposes of its creation.

WOMAN'S INVESTIGATING COMMITTEE OF PENAL AND CHARITABLE INSTITUTIONS.

The reports of this committee-created by the last legislature--herewith presented, show an earnest and hearty response to their duties. Their assistance has been specially valuable in the improvement of the condition of the Hospital for the Insane. and in the detail of its domestic management, both in a financial and broader sense. They have worked in harmony with the managing board. and the members of both are inspired by one common and christian purpose. They specially urge the employment of a female physician or trained nurse in the hospital, and the suggestion will be carried into effect.

They urge the erection of a building for the girls of the Reform School, which is desirable, but the Executive is still of

the opinion that the present building would be sufficient if less of it were used for administrative purposes. They also make many excellent suggestions relative to the institution.

They highly commend the management of the penitentiary but criticize severely the expenditures for tobacco for the use of convicts. This is a question which is engaging the attention of prison reformers. with equally strong advocates on both sides, those favoring its use urging its benefits as a narcotic in the work of discipline and contentment among the prisoners.

Their recommendations and criticisms are intelligent and forcible, and illustrate in a striking degree the more acute perception, keener instinct and more sympathetic nature of woman which inspired the formation of the board. Their labors have already resulted in a considerable saving to the State in the prevention of waste in the domestic control of the institutions besides an increase in the comforts of their inmates.

THE SOLDIERS' HOME.

It is gratifying to inform you that the Soldiers' Home at Hot Springs, was opened on Thursday, the 27th day of November last, and that its inmates now number over forty disabled veterans, soldiers of the republic. The structure is an imposing and substantial building 85 by 132 feet, three stories high and basement. constructed of white sand stone, and pine finish. materials abounding in the vicinity. and stands in the midst of an eighty acre tract of land granted to the State for the site. It is furnished with suitable heating and cooking apparatus and furniture, and the baths supplied with water from one of the neighboring hot springs. The proceeds of the construction bonds amounted to ;47,325.00, and the contract for the building was let August 7, 1889, for the sum of M4,324. 00. and it was constructed substantially according to the specifications. The assignees of the contractors, who failed. claimed the sum of \$7,973.00 in addition to contract price, for alleged changes in specifications and upon an arbitration they were allowed the sum claimed and 1,,1.850.75 in addition thereto. It is but proper to say that this remarkable, finding and the entire claim for extra compensation is resisted and denied by the board of trustees. and from all the facts obtainable the State has fully discharged its obligations by payment of the contract price, and the State should resist to the uttermost any further demands. The entire amount expended by the board to (late is \$52,323.63, being \$4,998.63 additional to the proceeds of the bonds provided by law for the building. furniture and fixtures. It is a matter of regret that the Home has not been completed and equipped from the funds provided therefor, but the Ex ecutive believes the result is attributable to a laudable desire on the part of the board to secure the best possible provision for their comrades, and that they have been actuated in the

entire work by the most unselfish and patriotic motives. Their action in exceeding the appropriation fixed by law, even for this institution, is to be regretted, although the expense of even private buildings is apt to exceed the expectations. A detailed report of their expenditures will be placed before you, and its support in an economical manner is urged upon the legislature.

REGENTS OF EDUCATION.

The report of the Regents of Education is placed before you together with that of the Public Examiner upon the educational institutions, from which they are shown to be in a flourishing condition.

THE AGRICULTURAL COLLEGE.

Fifteen thousand dollars per annum appropriated by the general government for maintaining an experimental agricultural station is being expended by the board in experimental work upon the farm, in connection with the regular college work. By act of Congress, approved August 30, 1890, the sum of \$15,000 was appropriated for the year ending June 30, 1890, to be increased annually \$1,000 until the amount reaches \$25,000.00 per annum, to each State having in operation and agricultural college established under act of July 2, 1862, "for the more complete endowment and maintenance of colleges for the benefit of agriculture and the mechanic arts * * to be applied only to instruction in agriculture, the mechanic arts, the English language and the various branches of mathematical, physical, natural and economic science, with special reference to their applications in the industries of life, * * and no portion of said moneys shall be applied, directly or indirectly, under any pretence whatever, to the purchase, erection, preservation, or repair of any building or buildings." The act contains certain conditions as to the education of colored students, reports to the Secretary of the Interior, etc. Upon the application of the Executive, the sum of \$15,000 has been received by the State Treasurer under this act, and the further sum of \$16,000 will doubtless be received from this source for the year ending June 30, 1891, making the amount of appropriation, by the general government, substantially available for the agricultural college for the current year, \$46,000. This sum will only need to be supplemented by the amount necessary for buildings and repairs and such uses as are inhibited to these funds in order to place this institution upon a solid financial basis sufficient for all its wants.

The average attendance for the past year was 140, from 33 counties, with a total enrollment of 339.

THE UNIVERSITY OF DAKOTA.

This institution for the past year shows a total enrollment

of 435 students, an average attendance of 316, and the average attendance in the college classes is 74. The institution is doing excellent educational work, but there is, unfortunately, no funds for its support except such as may be received from ap propriations and tuition fees, and it is for the legislature to de termine means, if possible. for the maintenance of its present high standing. and be just to the other interests of the State and their constituents. The recommendation of the regents that the normal department be abolished is heartily endorsed by the Executive.

THE MADISON NORMAL SCHOOL.

This institution shows an average daily attendance of 118+

THE SPEARFISH NORMAL SCHOOL

shows an enrollment of 132, and an average attendance of 121+. Being the only public school for general educational work available to the people of the Black Hills, its support on this account is specially recommended to the legislature.

THE SCHOOL OF MINES.

The present attendance at this institution is eleven males and five females, and this is about the average during the year. From the reports the legislature will be enabled to know exactly where and how the public moneys are being expended, and to judge therefrom the retrenchments which can be made to the least public detriment in order to bring the expenditures within the revenues.

It is suggested that what might be called the luxuries, such as music, and the fine arts, and superfluous employes and teachers be the first to go, and the substantial be preserved in the educational curriculum and in instructors.

THE BLIND.

The blind children of the State are being supported in the Iowa State School for the Blind, at a cost of about *300 per year, per capitam including tuition, clothing and supplies, under provision of Section 272 of Compiled Laws. The total cost of this maintenance of the blind for the past year was *1,051.03.

THE PUBLIC SCHOOLS.

Every citizen, every friend of education, every parent who has children. certainly feels the need of standing true and steadfast for all that can be done to build up the school system and the educational institutions of South Dakota. At least eighty per cent of all the children of this commonwealth must be educated in the common schools or in such schools as are

very closely allied to them. Therefore, no pains should be spared to make the common school system the very best. In order to maintain the common school system we realize that it is necessary to maintain the high school, the academy and the colleges. No one will question but that a system like this should be based on broad and liberal grounds in the development of a new and growing state. Our plans should be laid carefully, systematically and with a view to permanency. We are now preparing plans for the future that cannot be easily undone,

We wish that every new town and city in South Dakota from its beginning, might have the benefit of all the modern improvements and conveniencies. We would wish that every farmer coming to this State might be able to build such a home as would give them all the modern conveniencies and comforts of many of the homes that are now established in the older parts of the State. We would wish that every farm might be fully equipped with all the needs and appliances that would help to develop its resources to the very best advantage to its owner. All of these conveniences and appliances must come as each locality can afford them, and as is able to meet their demands.

The mistake that is liable to be made in this regard is in developing our educational work too rapidly, and in making our machinery too cumbersome and too expensive for this system which it is so necessary to build up. Too many school officers, too many school buildings, too many school teachers and too many expensive state educational institutions are now faults with our present system that should be at once remedied.

We should begin with the civil township, making that the first unit of our school system. For that township one school officer should have the entire control with assistants known as moderators or directors for each school district. The county should be made the next division. In each county should be formed a County Board of Education with the County Superintendent as the executive officer.

A State Board of Education consisting of not more than seven or nine members should be organized as the third division and in which the State Educational institutions, the city graded schools and the common schools should all be represented. This State Board of education should grant certificates and diplomas for the State, should prepare courses of study for four departments that should each be classified for their particular work under a state school system. The State Superintendent of schools should be the executive officer of this board. The common school course should cover a period of eight years. The high school course should cover a period of two years. The academic course should cover a period of

two years. The college course should cover a period of four years.

This system should embrace:

(A) A full common school course for each school district in the State and said course should be faithfully carried out by every teacher and school officer connected with the district schools.

(B) The high school course of instruction should be prepared and given in one special school at least in every civil township.

(C) The academic course of instruction should be given in at least one school in every county, should be centrally located and in it all pupils should be admitted free of all expenses for tuition.

By the above system, as it has been very briefly outlined, each parent in the State has an opportunity to give his child a good common school education and of sending him through the course of instruction in the high school and through the academic course, thus preparing him for all the business affairs of life, and his education is secured for him under the shadow and within reach of his own home. All pupils who have thus finished the academic course of instruction should be admitted to the higher educational institutions of the State by a certificate from the county authority and without further examination. We believe that under such a system the attendance in the higher institutions will be largely and rapidly increased, and their running expenses to the State will be greatly diminished.

It is earnestly requested that the members of the present general assembly carefully consider the above recommendations in the interest of the farmers of South Dakota, as well as to the general interests of all concerned. The above plan will simplify our school system, will become much less expensive and will be operated and developed as our needs from day to day demand.

It is recommended that a law should be passed which shall be compulsory in giving to every child in the State an English education and that shall give him his school books free or at actual cost. The present school system is too expensive, inefficient and lacking in that unity and system so necessary in educational matters in order to obtain the greatest public benefit from the public schools for this most important public institution.

SUPERVISION OF CORPORATIONS.

The growing power and encroachment of corporations has rendered necessary to their proper control a resort to boards with special and extraordinary powers. Such boards are prac-

tically indispensable as to railroads and warehouses, are highly beneficial in the control of insurance companies, and should be extended over banking and all other moneyed corporations.

The Executive, in the interest of economy, earnestly renews his former recommendation in this behalf, for the appointment of:

(A.) One commissioner of railroads and warehouses in lieu of the present board of three.

(B.) One commissioner of insurance and corporations other than railroads and warehouses.

(C.) That the Commissioner of Labor and Statistics be charged with the additional duties of Immigration Commissioner and arbitrator of questions between corporations and their employees.

Each commissioner should have original jurisdiction in all matters pertaining to his office, and appeal should lie from his decision to three sitting as a council, with adequate provisions for the enforcement of its decrees.

The powers of the Railroad Commissioner should be enlarged in many respects so as to embrace the control of charges within reasonable bounds, and especially conferring power to adjust, through arbitration, damages for killing stock and setting prairie fires, with penalties for failure to reverse its findings adequate to prevent dilatory appeals.

The commissioner of other corporations should be specially charged with securing assessment of banks and moneyed corporations, in order to their just taxation and to enforce the provisions of the law as to usury and other subjects for their proper control.

The court of justice, as now organized without such provision, vision, affords practically no protection to the rights of the citizen of small means as against the unlimited resources of the corporation. The state should furnish counsel and conduct the litigation necessary to protect the citizen from the oppression of the artificial person of its creation. These officers should all be appointed until the first general election, after which they should be elected by the people.

\$1,020,200.00,

BONDED INDEBTEDNESS.

The bonded indebtedness of the State is, X116,600.00 at 6 per cent, X124,000.00 at 5 per cent, X317,100.00 at 4 1/2 per cent and \$302,500.00 at 4 per cent; besides the issue which is reported to have been sold on the first instant, \$160,000.00 at 3.1 per cent, making a total of with an annual interest and sinking fund charge of about \$54,000.00, which with the additional amount necessary to redeem outstanding settlement

warrants, X30,000.00, will make the total indebtedness about

\$1,050,200.00, and this amount should not be increased except for extraordinary expenses or public defense.

The legislature is advised that in any event some different method must be devised to meet a deficit than the act of the last legislature providing for a horizontal increase of the assessment list by the State Board of Equalization, and no ;neater amount of revenue can be depended upon in the future than will be produced by a two mill levy on the assessed valuation. The Board of Equalization increased the item of Moneys and Credits " 100 per cent above the amount returned from every county, but the payment is being resisted in the courts. Tile returns of amounts under this head show that this class of pro perty escapes its just share of taxation, and it is recommended that the revenue law provide for a special blank for returns from banks and moneyed corporations for the use of assessors and county boards of equalization, in order to arrive at a just valuation of these properties.

A banking law should be enacted requiring all institutions loaning money or doing a banking business to incorporate. thus subjecting them to the supervision of the Public Examiner, with power to cancel their charters for usury and other violations of the law.

The Executive again renews a former recommendation that a reduction of the legal rate of interest will result in benefit both to the legitimate banking business and to the general business interests of the State.

COMMISSION OF ADJUSTMENT BETWEEN NORTH AND SOUTH DAKOTA.

The commission of three members appointed by the Executive from South Dakota, under act of legislature approved January 15, 1890, to act with a similar committee from North Dakota, in the final adjustment of the outstanding territorial indebtedness and claims between the two States, has completed its labors as shown by three reports of the Joint Commission duly approved and on file in the office of the State Executive, bearing date June 4. June 13, and December 10. 1590. respectively, and showing itemized claims allowed against the State of South Dakota as follows, viz:

General claims against the Territory, one-half of which is due from South Dakota, amounting to	\$ 16,446.91
Claims allowed against the State of South Dakota, exclusively, on account of individuals	38,781.14
Claims allowed against the State, exclusively, on account of public institutions, viz:	
Agricultural College	\$4,963 35
Spearfish Normal	1,717.78
Madison Normal	12,842.91
School of Mines,	2,359.88
Penitentiary	36.84

Insane Hospital	14,065.60	
Deaf Mute School	1,494.47	
State University	6,105.76	
Reform School	7,380.84	\$ 50,969.43
Total		\$ 106,196.58
Amount due North Dakota from South Dakota as per settlement of Joint. Commission of Constitutional Conventions		\$ 46,500.00
One-half of outstanding Territorial warrants and accrued interest		81,125.00
Additional am't. of int. on Warrants assumed by South Dakota		4,806.13
Total		\$ 238,627.61

Acting under authority of an act approved March 1, 1890, \$50,000.00 of 4 per cent bonds were issued, dated March 1, 1890, and payable March 1. 1910, and this amount has been applied in settlement of these claims. In addition to this \$160,000.00 registered 3 per cent bonds have been prepared and placed at par. dated July 1, 1890, and payable July 1, 1910, with rebate of interest until January 1, 1891, the date of sale, the proceeds of which will reduce the balance on settlement claims to about \$28,000.00, for which amount, subject to adjustment by certain items in final settlement between the two States, additional bonds will be issued, under the act referred to, at an early date.

The Commission has performed its difficult labor with ability and fidelity, and the embarrassing and intricate adjustment between the States has finally been completed.

AUDITOR OF STATE.

The forthcoming report- of the Auditor of State for the year ending November 30, 1890, will. show in detail:

1. All warrants issued by him.
2. The amount of all warrants paid by the State Treasurer and returned to him.
3. A statement of the accounts of the several funds and appropriations, and the unexpended balances of same.
4. Such remarks on the finances of the State as he may deem proper.

This report. when filed, will be transmitted to you for your information.

SCHOOL AND PUBLIC LANDS.

The report of the Hon. Commissioner of School and Public Lands is presented for your information and contains a concise statement of the conduct of this department for the past year, and many valuable suggestions. The question involved in the appeal to the Honorable Secretary of the Interior as to whether the State shall be confined to the land district in which the lands lost through prior settlement or other cause were

situated in the selection of indemnity lands is an important one, and has been stated with care and ability, and will doubtless result in favor of the State.

The receipts from leased lands during the year were \$25,608.71, of which *1,181.80 were expended for advertising, and the balance disbursed to the counties as required by the law. Owing to the discouraging agricultural condition in the spring the leases were diminished to one year, all expiring March 1, 1891. Much better rates can be obtained upon granting longer terms.

The selection of indemnity lands will require the expenditure of *1,000 during the year, the land office fees alone amounting to \$800,

In the retirement of the present Commissioner the State loses a faithful servant whose difficult work in organizing this department involving the most sacred interests of the State cannot be over estimated.

COMMISSIONER OF IRRIGATION.

The report of this officer is presented for your consideration and so fully discusses the interests involved that the Executive feels relieved from the duty. Yourselves and your constituents have given much attention to this subject during the past year and this legislature will fail in its duty if it does not enact a law to foster and encourage and make possible irrigation in districts where it is needed. The past year has demonstrated by many practical experiments the availability of the artesian basin underlying one third of the State for both manufacturing power and inundation purposes.

Several hundred wells are now in active operation and the supply is not in the least affected and seems to be practically inexhaustible. No such conditions exist anywhere in the known world for the production of wealth. A soil unsurpassed in fertility and unequaled in depth, over an inexhaustible water basin being as near the surface as is compatible with safety, where it discharges under pressure of 100 pounds to the square inch, producing at once, moisture unlimited and under perfect control for the soil, and unmeasured and unequaled power for manufacturing, in the most healthful and favored climate in the world, affords possibilities for development in the immediate future which only needs to be understood by the business world to be realized and the fabled Utopia to become at last a fixed human habitation.

Too great care cannot be exercised in granting franchises to corporations which will deprive the settlers in this favored region of their homes. All possibility for collusion,

peculation and favoritism by public officials in relation to it must be guarded against.

PUBLIC EXAMINER.

The annual report of this officer is before me and is herewith submitted to you for your information. This report contains valuable statistics relating to the financial condition of the various counties, incorporated banks, and public institutions of the State, as well as recommendations relating to state and county finances and banking.

Your especial attention is called to the recommendations therein concerning the necessity of amending the law so as to require a proper system of book-keeping and accounting between the State auditor and treasurer in order that they may be a mutual check upon each other as is intended by the creation of the two offices. and to the passage of a banking law whereby all banks may be brought under proper supervision, and other valuable suggestions. all of which meet my approval.

I also heartily endorse his recommendations regarding the establishing by law of a fiscal year ending June 30, and requiring all reports to the Executive and legislature to be made to include all expenditures up to that date in order that the entire appropriations made for a year for all purposes may be fully settled and accounted for in one report after the close of the fiscal year and prior to the meeting of the legislature, and thereby relieve the Executive from the embarrassment it now labors under in furnishing the legislature with the information to which it is entitled.

Separate reports of examinations of State and county offices, banks and institutions, are also on file in this office and subject to the inspection of proper committees. From these reports it is apparent that during the past year this office has done effective work and that the State and counties have been amply repaid for the expenses of the same.

No state officer has more faithfully, effectively and laboriously discharged his intricate and difficult duties than the Public Examiner and much as the reduction of expenses is desired, his services cannot be dispensed with except at a cost to the counties and State of many times his salary and expenses.

IMMIGRATION.

The report of the commissioner of immigration herewith submitted shows in detail the expenditure of the meagre appropriation for this office. Creditable exhibits of the state's resources were made under the supervision of this department at the Sioux City corn palace, and since throughout the principal cities and towns of the eastern states and Canada.

The following shows the estimates of this office of the principal agricultural products for the year 1890:

Wheat, 17,066,600 bushels.

Corn, 17,492,242 bushels.

Oats, 17, 202,590 bushels.

Rye, 291,880 bushels.

Barley, 2,314,970 bushels.

Buckwheat, 19,764 bushels.

Flax, 2,757,275 bushels.

Potatoes, 1,479, 535 bushels.

The general average yield per acre as shown in bushels is as follows:

Wheat, 8.6.

Corn, 19.3.

Oats, 25.4.

Rye, 14.5.

Barley, 17.4.

Buckwheat, 8.3.

Flax, 6.4.

It contains valuable information relative to the beet sugar industry. An analysis of six varieties of sugar beets grown on the college farm by the chemist of the agriculture college, showing an average yield of fifteen per cent. When we remember that in Germ any the great centre of the beet Sugar industry the yield is but twelve per cent, and couple this with the fact that all roots, and especially the beet, grow most luxuriantly in South Dakota it shows that this industry here presents most inviting opportunities for the investment of capital. The United States consumes more sugar than flour and produces but one tenth of the amount consumed. These facts taken in connection with the government bounty paid the producer makes a condition that capital will hasten to take advantage of.

It is regretted that the financial straits of the state have not permitted of greater liberality towards this office, and it is a doubtful question of economy whether the state should not use extraordinary exertions in setting forth the inducements her wonderful resources offer to rich and poor alike in times when capital is seeking safe investment and labor a just remuneration.

SHEEP.

The same remarks apply to the wool industry, both to its production and manufacture.

There is no climate better suited both to the growth and health of the animal and the quality of the fiber. While the grades constantly deteriorate in a southern climate and must continually be supported by importation of animals, here the

grade of wool from a given herd will constantly improve, thus being the natural home of the fibrous coated animal and where its finest and most abundant coat is needed and produced. Foot diseases, so great an obstacle in the sheep industry are here almost unknown on account of the dry and thoroughly drained soil, while entire absence of rain in the winter and freezing months secures immunity from colds. the other great destroyer of the animal, and artesian power offers special inducement to the manufacture of the fiber. These facts, coupled again with the increased protection of woollen products point out a certain and abundant prosperity through this channel to our farmers and to the State.

These rare opportunities here afforded can scarcely be exaggerated for the employment of capital in an intelligent manner. and the state should use all available means to place them before the world. It is suggested that possibly the desired results could be obtained and the ends of economy subserved by attaching the duties of this office to the Commissioner of Labor and Statistics.

FLAX.

This state is also specially prolific of the flax plant, the growth and manufacture of which offers untold possibilities, increased largely through the protection offered the industry under recent legislation by congress,

THE WORLD'S FAIR.

In connection with this subject should be considered the World's Columbian Exposition to be held in Chicago in 1892 and 1893. This interests not only the States of the Union but the nations of the world.

The northwest will occupy no mean place in this grand exhibit and South Dakota cannot afford to lose so grand an opportunity for the display of her mineral and agricultural resources to the people of the earth. And such legislation and appropriations are urged as will represent the State's mineral and agricultural resources and for the erection of a suitable building for the headquarters of her citizens and the management of the exhibit.

It will unquestionably be the most magnificent industrial exhibit that ever was witnessed upon earth, and its like will not occur again for a century. Coming as it does to our very door, bringing hither the brightest representatives from all the nations of the earth, our new state with her matchless resources cannot afford to deny herself its benefits.

INSPECTOR OF MINES.

This officer was appointed pursuant to an act of the first legislature and entered upon the discharge of his official duties

on the 17th of June, 1890, and his report herewith submitted shows a conscientious discharge of duty and presents an intelligent exhibit of the rich and wonderful mining resources of the State together with much valuable and instructive matter pertaining to their development and the protection of the health and lives of the laborers through whose brawn and intelligence this great interest is being developed.

The report shows nine deaths to miners thus far from accident during his official term with a faithful record of the circumstances and causes of the same, and intelligent effort for the avoidance of similar catastrophes in the future.

This wonderful Black Hills mining district embraces nearly 100,000 square miles or 64, 000, 000 acres of lands, practically a solid mining camp, yielding every mineral known to science and most of the precious metals in paying quantities, notably gold, silver and tin. In the Homestake mines which are the most highly developed more than a thousand men have been employed for years in an area of a few acres with scarcely any visible diminution of the supply.

The tin industry is yet in its infancy but its magnitude is evidenced by the fact that a quarter million dollars have already been expended by one company in developing mines for the working of which they are now erecting the largest plant in the world.

More than 30,000 mining claims have been located and 500 opened sufficiently to prove them capable of profitable operation.

CEMENT INDUSTRY.

For several years experts have been investigating the clay and chalk stone deposits on the Missouri river from Yankton to Pierre and after thorough tests a plant has been put in at Yankton at a cost of c250, 000 for the manufacture of cement. All indications are that this is the begining of an industry that will straightway profitably employ millions of dollars and thousands of men within the State. The product is superior to the Portland cement, the best known to commerce, and a recent test witnessed by the Executive shows a tensile strength of 1126 pounds per square inch by a sample one year old and its virtue increases with age. A similar plant is to be erected at Mitchell in the spring, upon a large tract of land where the clay and lime deposit of the finest quality are found located together. A manufactory is also in contemplation at Chamberlain and thousands of acres of lands along the Missouri have been se cured for similar purposes.

VETERINARY SURGEON.

The report of this officer has not been furnished, but his duties have been faithfully and efficiently discharged to the ex-

tent that contagious diseases among' animals have been largely obliterated and the labors of the office correspondingly reduced so that a similar reduction of the emoluments of the office can be properly made.

ATTORNEY GENERAL.

The report of this officer is presented for your information and shows a most industrious and faithful discharge of his official duties. His numerous opinions touching many obscure statutes involving the expenditure of public money will greatly assist your labors in the comprehension and prevention of public malpractices.

THE BOARD OF AGRICULTURE.

The Board of Agriculture has furnished no report to the Executive who is, therefore, unable to advise you concerning the public money entrusted to its care. It is however doubtless expended.

THE BOARD OF HEALTH.

The report of the State Board of Health is herewith sub mitted, which shows the absence of epidemics and a happy con dition of health throughout the State during the past year, which can scarcely be excelled in any known country. It contains reports from many county boards and is a complete epitome of the subject embraced. The people of South Dakota fail to comprehend the blessing vouchsafed them in the health restoring and health invigorating qualities of the climate of their State.

OIL INSPECTOR.

Under act creating this office it was filled by appointment June 11, 1890, and its duties are being discharged in a satisfactory manner without charge to the State, the expense being made by a small fee paid by the importer.

REPORT OF STATE EXECUTIVE COMMITTEE ON DONATIONS RECEIVED AND DISBURSEMENTS MADE.

The committee's itemized account showing the entire receipts and disbursements, is herewith presented. It is gratifying to report that the entire amount expended was for the purchase of supplies, the expense of collecting and distributing being borne by the committee, and that 10 per cent of the entire sum collected was returned to the donors.

THE MILITIA.

The South Dakota National Guards. notwithstanding the absence of funds for its proper support, still maintains its efficient

organization in a manner highly creditable to the patriotism and devotion of officers and men. The second regiment, under the energetic and enthusiastic administration of its colonel, the Hon. M. W. Sheafe, comprises twelve companies, numbering 480 men, with a full complement of efficient officers, the whole well equipped with guns, ammunition, and camp equipage. During the present threatened Indian troubles the companies have spent much time in drilling and are fully inspired with the zeal of their profession, and in case of opportunity will shed luster upon themselves and the State.

The department has a complete equipment for a battery of guns, and several applications for an organization, but it is withheld for lack of funds.

For a detailed synopsis of this department reference is had to the reports of the Adjutant-Generals for the years 1889 and 1890.

Under the militia law, as it now stands, the appropriation is insufficient to meet the payments allotted by law to the companies, and must, if continued result in a misunderstanding and dissatisfaction which will be detrimental to the organization. It is one of the multitude of laws standing upon our statutes granting moneys without an appropriation to pay and without funds if there was an appropriation. A definite sum should be appropriated for this department and paid in full under the law, which should be modified so as to bring expenses within the appropriation.

INDIAN TROUBLES.

The Indian problem invites your attention. Since the opening of the vast tract of ceded lands west of the Missouri river in February last there has been a growing discontent among the Indians resulting from vexation at having to leave their lands. This discontent has been steadily nurtured by vicious leaders through the agency of the "ghost dance," adroitly substituted in the guise of a religious frenzy for the war dance which is ordinarily used to incite savages to warfare and which had been forbidden among the Indians by the government. Growing insubordination during the year culminated in the collection and organization of bodies of defiant Indians on the outskirts of the agencies west of the river who were speedily brought to the frenzy which always precedes an uprising. From more than ordinary insolence and theft everywhere, in many places, notably on the upper Cheyenne, White and Bad rivers, they became open and defiant in their depredations, pillaging and robbing the settlers and conveying their plunder to a general rendezvous in the Bad Lands between the forks of the upper White river. The prompt action of United States troops in breaking up the lesser camps and

the timely death of Sitting Bull, the prince of the disaffected, as he was starting with his band from Grand river to join the camp in the Bad Lands, has, it is believed, dampened their warlike ardor, although the main camp is yet to be captured. The affray at Wounded Knee creek a fortnight since wherein 32 soldiers and a number of Indians were killed shows the trouble is not yet settled.

At the first appearance of alarm the arms and ammunition on hand, about five hundred stands, were distributed among the settlers adjoining the reservations where the demand was the greatest, in charge of a competent person selected and commissioned as aid-de-camp of the Governor with admonitory instructions as to the organization of the citizens for protection and general notice to settlers in case of danger. The demand increasing, one thousand stands additional were obtained upon application to the Hon. Secretary of War and likewise disposed of, and still the demand continues.

The Executive takes pleasure in thus publicly recognizing the valuable and unselfish services of Col. M. H. Day and Col. V. T. McGillicuddy, in the Black Hills district, where all the active demonstrations have occurred. Col. Day organized a troop of one hundred volunteers who for some weeks patrolled the Cheyenne river opposite the principal hostile camp between Battle creek and Spring creek, and kept back marauding parties in their raids upon the deserted property of settlers. At Phinney's ranch the command had three lively engagements in one day with the Indians, and finally succeeded in their total defeat. Major General Miles, commanding the United States forces, has complimented the volunteer command for its gallant, patriotic and efficient services.

No depredations have been reported east of the Missouri river and the Executive has no apprehension of any, but the demand for protection to property from the settlers on the upper Cheyenne, White and Bad rivers ought to receive a prompt and hearty response. The general government owes it to them. It opened these lands for settlement and invited their occupancy. These people ought not to be driven to poverty and beggary by savages in the midst of civilization. The United States should protect them, and failing, the duty devolves upon the State, and it is recommended that adequate means be provided for the emergency.

A more trying position can scarcely be conceived than that of the Executive, incessantly beset with calls for aid which he is powerless to render. The crisis is now on as regards this question and it is gratifying to know that the supreme law making power of the State can be exercised as emergency may require. Provision should be at once made for subsisting a volunteer troop which can be instantly called into exis-

tence for the defense of their firesides about the seat of hostility.

Stringent laws should be passed by the nation and State prohibiting the selling and furnishing of arms and ammunition to Indians and strictly enforced. The arms are a constant menace to settlers and a great obstacle to the control and civilization of the Indians.

It is to be hoped also that in the adjustment of the difficulties the customary governmental policy of rewarding the perpetrators of deeds of violence by extra rations and supplies will be reversed, and the doctrine of rewards and punishments applied among Indians as it is everywhere else. This will encourage the large mass of them who are well disposed in their fidelity, and discourage insubordination and settle the Indian problem for all time in the interest of humanity and justice.

ORGANIZATION OF COUNTIES.

On the fourteenth day of February, 1890, a petition in due form was presented to the Executive, signed by over one hundred and fifty citizens of Stanley county, praying for its organization, and after due investigation, it being ascertained that the petitioners were bonafide citizens and electors of the county, notice was thereupon issued fixing voting places for an election in said county on the fifteenth day of April, A. D. 1890, for the election of county officers, and the location of the temporary county seat, which election was held under provisions of law in such case provided, and the county was duly organized.

On the twenty-fifth day of July, a petition purporting to be signed by one hundred and fifty-seven citizens of Sterling county was filed, praying for the organization of that county, and on the fifth day of September, a like petition containing one hundred and fifty-six names, for the organization of Nowlin county, both of which petitions were duly verified. The Executive made a personal tour of the two counties and ascertained that a large majority of the purported petitioners were not legal voters within the counties, and a majority of the bonafide citizens of each county were opposed to organization, whereupon the petitions were denied.

PARDONS.

James H. Long, sentenced on the 12th day of September, 1889, by Judge Chas. M. Thomas, first judicial district, County of Lawrence, to one year's imprisonment in the county jail for the crime of assault, was pardoned February 18, A. D. 1890.

The Executive's reasons for granting the above pardon were owing to the "extenuating circumstance, in connection with the commission of said offense; that the prisoner had borne a good

reputation prior to the commission of the crime, his pardon having been recommended by a large number of the reputable citizens of Lawrence county, including the Hon. Dwight Corson, presiding judge of the supreme court of the State of South Dakota. as also by the Hon. Robert Dollard. the Attorney General of said State, their recommendations being accepted by the Executive as the semi-official action of the Board of Pardons, as created by article iv, section 5, of the constitution.

Reuben H. Shumway was pardoned November 8, A. D. 1890, from sentence pronounced April 30, 1887. confining him to imprisonment and hard labor in the territorial penitentiary for the period of seven years, for the crime of assault with intent to kill, upon the recommendation of the Board of Pardons, in accordance with law as provided by Chapter 32, Session Laws of 1890.

EXTRADITION.

The Executive has been much embarrassed as to his duty in reference to applications for return of fugitives from justice, as no specific appropriation was made for the expense of serving warrants. For this reason all applications have been denied except those in case of more aggravated crimes, or if sustained with the condition that expenses incurred should be paid by the applicant. It is recommended that the agent's fees for services in this behalf be fixed at a per diem and that they be borne exclusively by the county in which the crime was committed.

The number of applications for requisitions during the past year was thirty-two, of which fifteen have been granted and warrants issued.

PROHIBITION.

While the law passed to enforce the provisions of the constitution prohibiting the manufacture and sale of intoxicating liquors has not proven as successful as the friends of temperance could desire, it is believed the result is largely attributed to the decision of the supreme court of the United States which for the time weakened public confidence in the measure.

It is, however, enforced in most sections of the state and by its means the evils of intemperance are believed to be largely diminished.

AUSTRALIAN BALLOT.

It is recommended that earnest legislation be had for a reform of the present ballot system. Free government can survive all disasters except the pollution of the popular ballot by intimidation, fraud or purchase. It can even withstand corruption in public officers. This can be remedied so long as the

people are honest, but when the fountain is contaminated the stream must be impure and death-dealing throughout its course. The secret ballot is recognized as the practical means of reformation, and the Australian system has been adopted by many States of the Union with satisfactory results, and ought to be introduced in this State, with any additional improvements that can be devised. New and untried methods should be avoided. Let inventors experiment at the expense of other States.

LOCATION OF PERMANENT CAPITAL.

The question of permanent location of the seat of government was submitted to the electors at the last general election and determined in favor of the City of Pierre, that city having received a majority of all votes cast on that proposition at said election.

It is expected the grounds upon which the present capitol building is located will be donated to the State as soon as the proper conveyance can be executed. The citizens of Pierre have filed a bill of sale with the Executive for the capitol building, with proper guarantee of title, and by this act have shown a disposition to keep good faith with the people which is highly commendable.

DEATH OF SENATOR CRILL.

On the 27th day of November, 1890, the Executive received notice of the death of Hon. L. N. Crill, Senator-elect for the first senatorial district of the State, whereupon a writ was issued to the Sheriff of Union county commanding him to call a special election to fill said vacancy on the 30th day of December, 1890.

ELECTION OF UNITED STATES SENATOR.

Section 4, Article 1, of the constitution of the United States provides as follows:

"The time, place and manner of holding elections for senators and representatives shall be prescribed in each State by the legislature thereof: but the congress may, at any time, by law, make or alter such regulations, except as to the place of choosing senators. F

Congress has exercised its power under this section and provided that the legislature of each State, which is chosen next preceding the expiration of the time for which any senator was elected to represent such State in congress, shall, on the second Tuesday after the meeting and organization thereof, proceed to elect a senator in congress. Revised Statutes U. S. 1878 Ed., Sec. 14:

Under this provision it will become your duty to proceed under due form of law, on Tuesday, the 20th day of January,

instant, to elect a senator in congress to fill a vacancy occurring on the 4th day of March, 1891.

It is urged that the ordinary work of legislation be not deferred for this duty, and that it be hindered thereby as little as possible.

OFFICIAL CORRUPTION.

Much has been said in the public prints during the heated campaign just closed, of dereliction of duty and improper practices on the part of state officials. It is recommended that the most rigid investigation be made in this direction, to the end that the fair fame of the young State may be preserved unsullied, either by vindication or punishment, as the facts may demand. Such charges, if true, should be punished by. exposure and conviction, and if false, the vindication should be equally emphatic. The Executive, under the constitution, is subject to condign punishment for any corruption in office or improper exercise of official influence from corrupt motives, and your most rigid investigation and unsparing discipline is invited and urged in this behalf.

LEGISLATIVE MALFEASANCE.

The constitution also provides the most severe penalties for corruption on the part of members of the legislature. His oath of office searches the methods by which his seat was obtained. Section 28, of Article 111, of our constitution, also makes it an offense to approach any State official or member of the legislature with a corrupt proposition, and makes it your duty to fix penalties therefor.

A most disgraceful and deplorable incident occurred at the close of the session of the first legislature by the abstraction from the files of an enrolled bill, which provided for the assessment and taxation of express companies, as a result of which this class of property escaped taxation. The Executive regrets his inability to locate the responsibility for this infamy, but it should serve as an inducement to extra precaution on the part of legislative employes and committees, and the employment of every means to prevent its repetition, the first one of which should be the immediate passage of an act declaring such an offense a felony. A similar bill should be at once enacted.

It is but proper to observe, also, that the press, which is the sensitive harbinger of threatened public danger. broadly hints at improper influences to be used in the determination of important issues in the keeping of this legislature, and it is to be hoped that nothing will occur to give color to this suspicion.

REDUCTION OF THE LEGISLATURE.

It is specially recommended that the number of each branch of the legislature be reduced so that House shall not contain

more than sixty nor the Senate more than thirty members. Such a measure will reduce the expenses of the general assembly fifty per cent, and will leave a representation ample to protect all the interests of the State and large enough for the duties devolving upon it. It is at least urged that the present apportionment be changed so as to include Fall River county.

CONCLUSION.

These suggestions, mainly repetitions made to the first legislature of the State are presented as the honest convictions of the Executive, touching the pressing duties with which we are charged. In new or doubtful fields of legislation, proceed with caution. Take heed lest your zeal outstrip your judgment and so increase the evils you would overcome. Weigh your opinions with your opponents'; hold fast what is good and discard what is faulty, that truth may prevail. While civil government was instituted to protect the weak against the strong, the shiftless and simple minded from the avaricious and cunning, it was not intended to defeat God's first law, that man should live to labor. The province of legislation is not to foster idleness, but to stimulate effort; not to destroy ambition, but to elevate and direct it; to preserve with jealousy the social institutions which ennoble human nature; to foster religion, which furnishes divine ideals, and to promote a common education, which is the preserver of all.

You are finally admonished that the time for your multifarious labors is brief, and not to put off till tomorrow your most important duties, but to enter upon their discharge today.

ARTHUR C. MELLETT. Governor.